

State of California
Business, Transportation & Housing Agency
Department of Transportation

HIGHWAY RIGHT OF WAY MATTERS
Airspace Lease Direct Negotiations
12-ORA073-0001-01
Action Item

Prepared By:
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CTC Meeting: March 28-29, 2001

Agenda Item: 2.4c.

Original Signed By
W. J. EVANS, Deputy Director
Finance
March 1, 2001

LAGUNA NIGUEL/ ROUTE 73 AIRSPACE LEASE – MERCEDES-BENZ OF LAGUNA NIGUEL
(Proposed Lessee)

It is recommended that the California Transportation Commission (CTC) authorize the execution of a lease between the State of California, Department of Transportation and the proposed lessee Mercedes-Benz of Laguna Niguel.

The proposed lease area is located mostly along the easterly side of Star Drive, a cul-de-sac street, which serves solely as a feeder street to the Mercedes-Benz dealership. A portion of the site is located far beneath the southbound, Route 73 overhead viaduct. The auto dealership is located adjacent to the proposed airspace site. The site would be used as a display area for cars, landscaping for beautification of Star Drive, and for signage. The City of Laguna Niguel is strongly in favor of this use. An adjacent airspace site is planned for lease to the County of Orange and will be improved as a staging area to serve the existing Oso Creek trail. The State, City, County and proposed lessee have coordinated in planning these two airspace sites.

The 31,696 SF lease site is very irregular in shape. A long narrow strip of land, mostly less than 20' wide, runs westerly along Paseo De Colina and then jogs southerly, and narrows down along Star Drive. The site then widens slightly in a triangular form at the southerly most section. Under a previously approved encroachment permit, a majority of the landscaping has already been installed and is being well maintained by Mercedes-Benz of Laguna Niguel. Landscaping will ultimately represent 22,973 SF of the site. The remaining 8,723 SF would be used as a car display area. The topography of the display area is level. This site has not previously been offered for lease. The proposed lessee is the only private property owner directly adjacent to this site.

The proposed lessee has agreed to a lease under the following terms and conditions:

Term:	15 years; and (3) 5-year Option Periods
Area:	31,696 SF
Use:	22,973 SF of Landscaping and 8,723 SF of Car Display area

Consideration: \$500.00/Month (\$6,000.00/Year), based on a fair market appraisal

Adjustment: Annual rental increase adjustment of 5.00 %

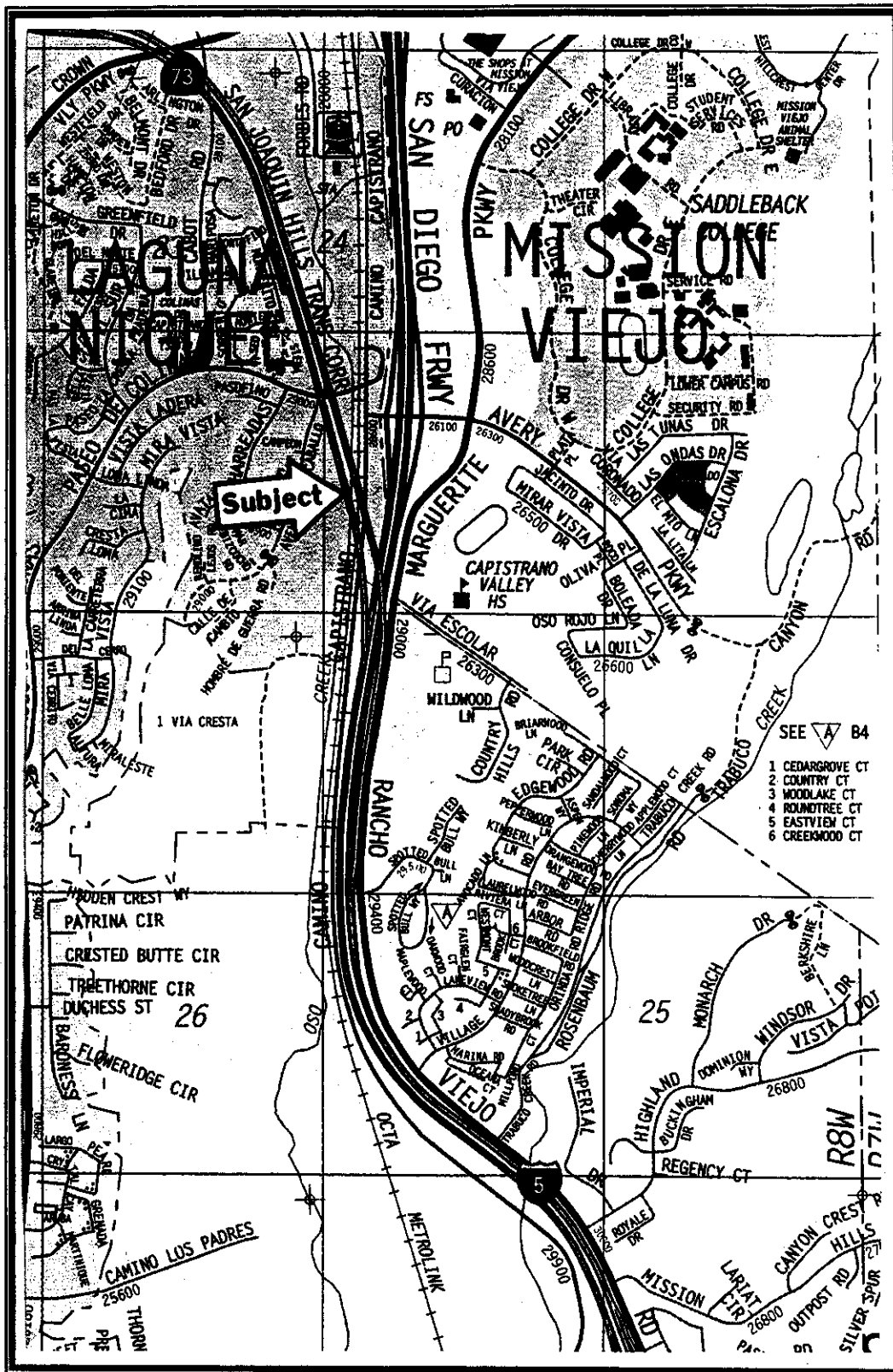
Reevaluation: Every tenth year

Cancellation: This lease may be terminated by either party by providing ninety (90) days prior notice, in writing, but in no event prior to two years from the date of execution of this lease. In addition the lease provides that the State may take possession of the lease area upon providing the lessee with one-hundred-eighty (180) days notice, if the lease area is needed for a future transportation project.

The optimum return for this site will be realized through a lease with said proposed lessee for display and landscaping purposes. The lease would: add revenue to the State; relieve Caltrans of continuing maintenance expenses; add cost-free to the aesthetics of a public street, and does not detract from the safety and aesthetics of the freeway structure or overhead freeway. The rental rate is based upon a Fair Market Appraisal and Highest and Best Use Study. We therefore, request approval of a directly negotiated lease to the proposed lessee under the terms and conditions outlined above.

The proposed lease does not require an Airspace Advisory Committee (AAC) recommendation as it qualifies as an exception to the normal requirements, under a pilot program approved by the AAC in October 1998 for non-complex transactions. The lease is less than \$5,000.00 per month, real estate issues are non-complex and terms and conditions are standard, as defined by the AAC under the pilot program.

Attachments (vicinity map and site maps)



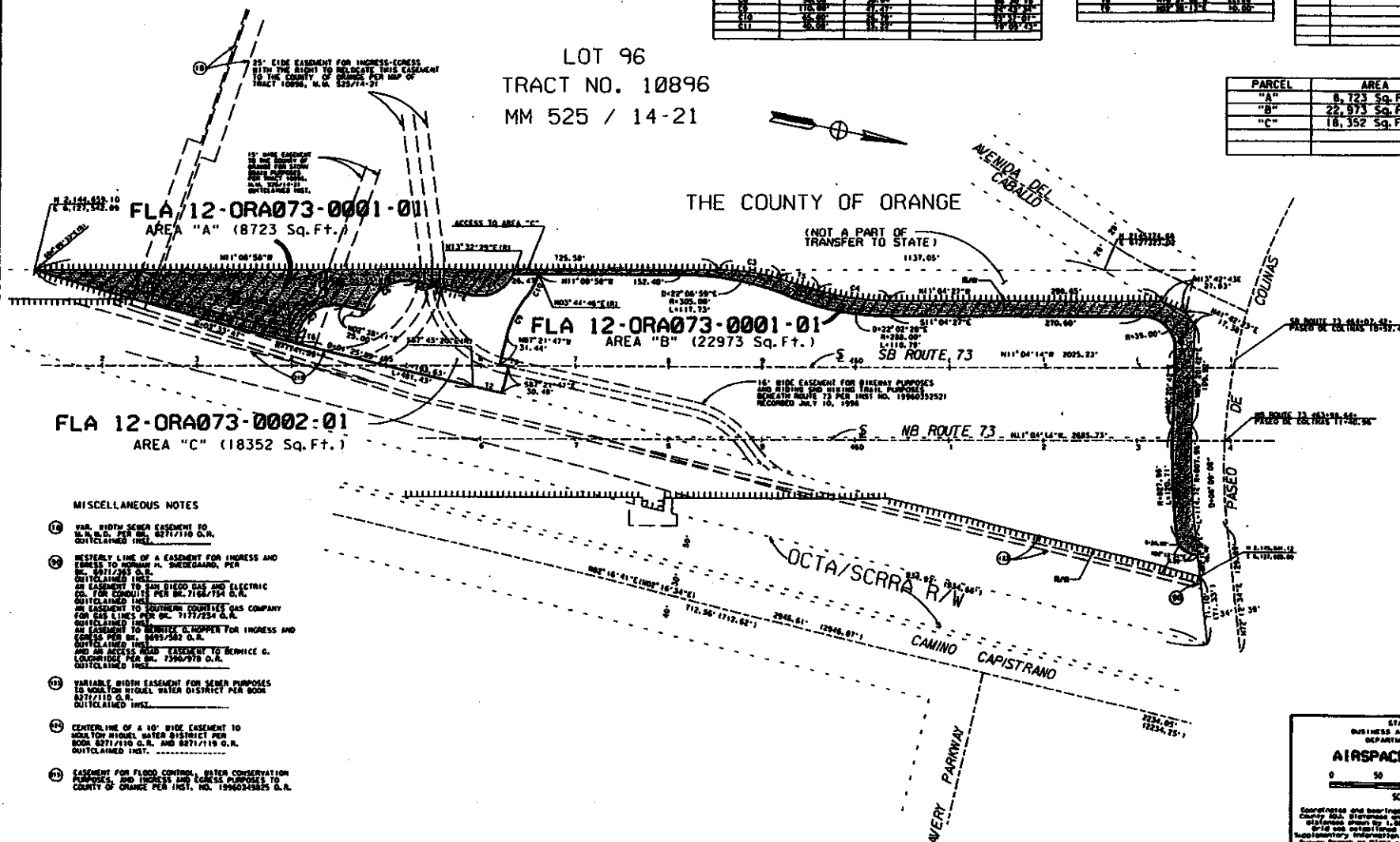
VICINITY MAP - FLA 12 ORA073-0001-01

POST MILE	CHANCE	ADJACENT	POST MILE	CHANCE	ADJACENT
12	ORA	12	14.1	12	1
DATE	NAME	DATE	NAME	DATE	NAME
DATE	NAME	DATE	NAME	DATE	NAME

LINE	STATION	BEARING	DISTANCE
1	1+00	N 11° 04' 27" E	1137.05'
2	2+00	N 11° 04' 27" E	1137.05'
3	3+00	N 11° 04' 27" E	1137.05'
4	4+00	N 11° 04' 27" E	1137.05'
5	5+00	N 11° 04' 27" E	1137.05'
6	6+00	N 11° 04' 27" E	1137.05'
7	7+00	N 11° 04' 27" E	1137.05'
8	8+00	N 11° 04' 27" E	1137.05'
9	9+00	N 11° 04' 27" E	1137.05'
10	10+00	N 11° 04' 27" E	1137.05'

LINE	STATION	BEARING	DISTANCE
1	1+00	N 11° 04' 27" E	1137.05'
2	2+00	N 11° 04' 27" E	1137.05'
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4	4+00	N 11° 04' 27" E	1137.05'
5	5+00	N 11° 04' 27" E	1137.05'
6	6+00	N 11° 04' 27" E	1137.05'
7	7+00	N 11° 04' 27" E	1137.05'
8	8+00	N 11° 04' 27" E	1137.05'
9	9+00	N 11° 04' 27" E	1137.05'
10	10+00	N 11° 04' 27" E	1137.05'

PARCEL	AREA	USE
"A"	8,723 Sq. Ft.	DISPLAY AREA
"B"	22,973 Sq. Ft.	LANDSCAPE AREA
"C"	18,352 Sq. Ft.	ORA. CO AREA



MISCELLANEOUS NOTES

- (1) VAR. WIDTH SEWER EASEMENT TO M.A.D. PER B.L. 8271/710 G.R. OUTLINED THIS.
- (2) WESTERLY LINE OF A EASEMENT FOR INGRESS AND EGRESS TO MARIAN M. SHEDDEN, PER B.L. 8271/710 G.R. OUTLINED THIS.
- (3) AN EASEMENT TO SAN DIEGO GAS AND ELECTRIC CO. FOR CONDUITS PER B.L. 7168/754 G.R. OUTLINED THIS.
- (4) AN EASEMENT TO SOUTHERN CALIFORNIA GAS COMPANY FOR GAS LINES PER B.L. 7177/254 G.R. OUTLINED THIS.
- (5) AN EASEMENT TO SERVICE C. HOPPER FOR INGRESS AND EGRESS PER B.L. 8691/262 G.R. OUTLINED THIS.
- (6) AN ACCESS ROAD EASEMENT TO SERVICE C. LOUGHRIDGE PER B.L. 7390/270 G.R. OUTLINED THIS.
- (7) VARIABLE WIDTH EASEMENT FOR SEWER PURPOSES TO MARIAN M. SHEDDEN PER B.L. 8271/710 G.R. OUTLINED THIS.
- (8) CENTERLINE OF A 10' WIDE EASEMENT TO MARIAN M. SHEDDEN PER B.L. 8271/710 G.R. AND 8271/710 G.R. OUTLINED THIS.
- (9) EASEMENT FOR FLOOD CONTROL, WATER CONSERVATION PURPOSES, AND INGRESS AND EGRESS PURPOSES TO COUNTY OF ORANGE PER INST. NO. 1596034585 G.R. OUTLINED THIS.

STATE OF CALIFORNIA
BUSINESS AND TRANSPORTATION AGENCY
DEPARTMENT OF TRANSPORTATION

AIRSPACE EXHIBIT MAP

0 50 100 150 200

SCALE 1" = 50'

Coordinates and bearings are on NAD 83 Zone 10, 1983 Orange County 22.5 Station and geoid are 0.10. Auxiliary grid distances given by 1.8000 to obtain ground distances. Grid was established from N.E.C. triangulation station. Supplementary information may be obtained from the District Office. Survey Branch or Maps of the Engineering Branch, District 12.

ACCESS PROHIBITED

R.E.P.E. _____ S.A. _____

SOURCE _____ CHANGE _____ E. A. _____

**SHADED AREA REPRESENTS MERCEDES-BENZ
PROPOSED AIRSPACE SITE (FLA 12-ORA073-0001-01)**